



STATE REPRESENTATIVE  
**KRISTEN DEXTER**

WISCONSIN STATE ASSEMBLY

68TH DISTRICT

**Testimony from Representative Kristen Dexter  
February 17, 2010**

**Committee on Children and Families  
In Support of Assembly Bill 690**

Madam Chair, Committee members, thank you for convening today to hold this hearing on Assembly Bill 690 regarding a sales and use tax exemption for food sold by child welfare facilities.

This legislation is a simple fix that was brought to my attention by a child welfare facility in my district and the Department of Revenue (DOR).

Currently, food sold by day care centers, hospitals, retirement homes and nursing homes is exempt from the sales and use tax. DOR recently discovered that residential care centers under current statute are required to pay tax on food they serve to all children in their care. It appears residential care centers did not come into existence until after the original statute was enacted.

However these child welfare facilities have not been paying tax on food because they, and DOR, were under the assumption that they were exempt.

AB 690 corrects the oversight that leaves out these important child welfare programs. It makes food sold by any licensed child welfare facilities exempt from the sales and use tax. Licensed child welfare facilities can include residential care centers, as well as group homes, treatment foster care, and day treatment programs where similar care and treatment is given.

You also have in front of you a small amendment that is a change suggested by the Department of Children and Families. This amendment assures that day care centers licensed by the state and family day care providers certified by counties are included in the exemption.

Again, thank you for convening today and I hope that we can work together to pass Assembly Bill 690 as amended.

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**TO:** Honorable Members of the Assembly Committee on Children and Families

**FROM:** Secretary Reggie Bicha, Wisconsin Department of Children and Families  
Secretary Roger Ervin, Wisconsin Department of Revenue

**DATE:** February 17, 2010

**RE:** Support for AB 690 – Sales Tax Exemption for Food Served by Child Welfare Facilities

We are writing to you today to offer our support for AB 690, a bill that would provide a sales and use tax exemption for food sold by child welfare facilities.

Current law provides a sales and use tax exemption for food sold by a variety of care facilities, including:

- hospitals
- nursing homes
- retirement homes
- community-based residential facilities
- sanitoriums
- day care centers

AB 690 would extend the exemption in current law to residential care centers for children and youth. These centers provide care for children that is similar to the care provided to adults at community-based residential facilities.

Child welfare facilities serve children that have been removed from their homes due to abuse or neglect or because they have mental health conditions requiring on-site treatment. The exemption provided by AB 690 would cover meals served to these children.

The Department of Revenue expects the fiscal effect of AB 690 to be minimal.

Please consider supporting this important piece of legislation.

Thank you.